

PARTICIPATION AGREEMENT

In consideration of the benefits to be derived by _____ (hereafter “Company”) from the Delta Regional Authority (hereafter “DRA”) assisted project as proposed in _____’s (hereafter “Grantee”) Grant Application, the above named Company hereby certifies and agrees to the following:

1. Definitions.

- a. Application – The documents, forms, certifications, engineering reports, company financial statements, and other information submitted by the Grantee to DRA regarding the Project.
- b. Capital Expenditures – The funds expended by the Company (or lessor) for new real and personal property improvements related to the Project.
- c. Current Employees or Current Employment – The number of Full-time, Permanent Employees of the Company at this location, at the time this Agreement is signed by the Company.
- d. Financial Statements – Current and/or projected balance sheets, profit and loss, cash flow and other financial information about the Company at this location. Such projections must be consistent with those submitted to lenders, stockholders, partners, or other parties having an interest in the Company.
- e. Full-Time, Year-Round Employee – An employee of the Company at this location who works a minimum of 1,800 hours per year for the Company.
- f. Grant Agreement – An agreement between the Grantee and DRA defining the conditions of this Project.
- g. Grantee – The public or non-profit entity that submitted an application to DRA for funding.
- h. New Jobs – The number of new Full-Time, Year-Round Employees of the Company at this location who will be added after DRA’s conditional approval of the Application due to the Project within two years of the date of DRA’s conditional approval of the Application. The number of “New Jobs” is the addition at the Project location over Current Employment, and net of decreased employment at other locations of the Company of related companies in the state where the Project is.
- i. Project – The construction, reconstruction, purchase, and/or installation of buildings, machinery, equipment, utilities, streets, furniture, and other real estate or personal property improvements to be located at the site indicated in the Application, whether owned or leased by the Company or Grantee, as detailed in the Application.
- j. Retained Jobs – The number of current Full-Time, Year-Round Employees of the Company who would have been terminated if the Project had not been undertaken. In the event less than 100% of the employees of the entire facility would be terminated, the specific

employees who would be retained have been named, and a direct relationship has been established between their proposed termination and the Project.

- k. Unforeseen Economic Events – The Company’s actual sales volume at this location was significantly less than was projected by the Company prior to the Commencement of the Project due to factors beyond the Company’s control.
2. Accuracy – The Company has reviewed the entire contents of the Application including all attachments, except for information that pertains to other companies that may be included, and hereby certifies that all information that relates to the Company is true and accurate, and can be verified upon request by proper official of DRA or the Applicant.
3. Access to Records – The Company agrees to provide reasonable access to company records by proper officials of DRA and the Applicant in order to verify information submitted in this Application and requirements set forth in this Agreement. “Reasonable access” shall be considered access at the Company’s normal business hours with at least three days notice by DRA or the Applicant.
4. New Job Creation Project (If Applicable) – The Company will create, at a minimum, _____ New Jobs in addition to the Current Employment of _____. The Company will maintain, at a minimum, _____ Full-Time, Year-Round Employees at this location for a period of five years from the date of DRA’s conditional approval of the Application.
5. Proposed Capital Expenditures – The Company certifies that the proposed Capital Expenditures for the Company’s Project, as identified in the Application, has not yet begun, and will not begin until DRA has conditionally approved the Application. The Company also certifies that it will expend, at a minimum, \$_____ in Capital Expenditures for the Project, and provide paid invoices and other allowable documentation dated after DRA’s conditional approval of the Application substantiating said expenditures to the Grantee and DRA.
6. DRA/Civil Rights – The Company agrees to comply with Equal Employment Opportunity and civil rights laws and procedures as applicable to the DRA program, which, among other requirements, requires non-discrimination in employment.
7. Penalties – The penalties for non-compliance with this Agreement are as follows:
 - a. New Job Creation – For every New Job less than the number stated in Item 4 of this Agreement within two years after the date of DRA’s conditional approval and sustained for five years after the date of

DRA's conditional approval, the Company agrees to provide as penalties to DRA, within 60 days written notice by DRA, an amount equal to the grant divided by the number of New Jobs plus 10% interest compounded annually accrued from the date DRA funds were first received by the Grantee, plus any expenses associated with the collection of funds from the Company due to this penalty. For every Full-Time, Year-Round Employee less than the number stated in Item 4 that is not maintained for a period of five years from the date of conditional approval, the Company will be subject to the same penalties as mentioned above.

- b. Retained Jobs – For every Full-Time, Year-Round Employee less than the number indicated in Item 4 of this Agreement not maintained for a period of five years from the date of DRA's conditional approval, the Company agrees to provide as penalties to DRA, within sixty (60) days written notice by DRA, an amount equal to the grant divided by the number of new jobs, plus 10% interest compounded annually accrued from the date DRA funds were first received by the Grantee, plus any expenses associated with the collection of funds from the Company due to this penalty.
 - c. Other Requirements – In the event the Company fails to comply with other provisions of this Agreement, (not including Item 4), the Company agrees to provide as penalties to DRA, within sixty (60) days written notice by DRA, an amount equal to 100% of the DRA funds provided by DRA for the project, plus 10% interest accrued from the time DRA funds were first received by the Grantee, plus any expenses associated with the collection of funds from the Company due to this penalty, or a lesser amount, as determined by DRA based on the severity of the non-compliance.
 - d. Reduction of Penalties – DRA at its sole discretion, may reduce or waive the penalties specified in this Section of this Agreement in the event the Company experiences Unforeseen Economic Events, as determined by DRA. This information must reflect the activity only at the facility referred to in the Application, and not include other sites, subsidiaries, or parent company. In the event the Company elects not to submit the current and projected financial information in the application, DRA is not obligated to determine if a reduction in penalties would be warranted.
10. Certification – The Company certifies that but for the proposed DRA assistance described in the Application, the Company's project will not be done at the proposed site, and the New or Retained Jobs would not occur.

Delta Regional Authority, Grantor

_____, Company

By: _____
Howard Hemphill
Director of Federal Programs

By: _____
,
President

Date: _____

Date: _____

STATE OF _____
COUNTY OF _____

Personally appeared before me, the undersigned notary public in and for the jurisdiction aforesaid, the within named _____, to me known, who acknowledged that he is _____ of _____, and that for and on behalf of said _____ and as its act and deed, he signed and delivered the foregoing Agreement as of the date therein mentioned with action execution on the date of this acknowledgment, after having been first duly authorized so to do.

GIVEN under my hand and official seal on this, the _____ day of _____, 2006.

Notary Public

My Commission Expires:
